

***TO: THE MEMBERS OF THE RUTHERFORD COUNTY  
BOARD OF COUNTY COMMISSIONERS***

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The proposed budget for fiscal year 2007-2008 is presented for your consideration. This budget is based on a tax rate between .4925 and .53 cents per \$100 valuation. The following budget message is divided into the following sections:

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## I. INTRODUCTION

Total general fund requests for FY 2007-2008 are \$62,315,187. This is an increase of \$6,857,547 or 12.37 % as compared to the FY 2006-2007 original budget of \$55,457,640.

- County departments received \$31,365,746 in FY 2006-2007 and are requesting \$35,750,303 in FY 2007-2008 representing an increase of \$4,384,557 or 13.98 %.
- The County Schools and college are the major outside agencies funded by the County. The County Schools received \$11,122,007 in FY 2006-2007 and are requesting \$12,259,221 in FY 2007-2008. This \$1,137,214 increase is approximately 10.2 %. Likewise, the college received \$1,636,461 in FY 2006-2007 and is requesting \$1,870,370 in FY 2007-2008. This \$233,909 increase is 14.29%.
- Requests from other areas including transfers to other funds, special appropriations, court facilities, mental health, health department, capital, legal, medical examiner and coroner and forestry increased \$1,101,867 from a total of \$11,333,426 to \$12,435,293 or 9.72%. The full listings of these items are on page 34.

These total requests of \$62,315,187, if fully funded, would have necessitated a tax rate of 56.5 cents. If we include 3 cents to be designated to the Building Program, it would have necessitated a tax rate of 59.5 cents. Each one cent raises \$542,225 in property tax revenue.

The chart below entitled FY 2007-2008 Rutherford County Budget represents the FY 2006-2007 original budget, the FY 2007-2008 request, and the recommended increase for the FY 2007-2008 budget.

<b>FY2007-2008 RUTHERFORD COUNTY BUDGET</b>					
	Original	Requested	Recommended	Increase from	% Change
	Budget	Budget	Budget	Original to	2006-2007 Original
	FY 2006-2007	FY 2007-2008	FY 2007-2008	Recommended	2007-2008 Recommended
County Departments	\$31,365,746	\$35,750,303	\$33,829,416	\$2,463,670	7.85%
Schools	\$11,122,007	\$12,259,221	\$11,678,107	\$556,100	5%
College	\$1,636,461	\$1,870,370	\$1,806,913	\$170,452	10.42%
Other	\$11,333,426	\$12,435,293	\$12,227,954	\$894,528	7.89%
<b>TOTAL</b>	<b>\$55,457,640</b>	<b>\$ 62,315,187</b>	<b>\$59,542,390</b>	<b>\$4,084,750</b>	<b>7.37%</b>

The FY2007-2008 recommended budget is an approximate 7.37% increase over the FY2006-2007 original budget. The total County Department increase is \$2,463,670 or 7.85%. Medicaid alone increased \$518,703. In addition, Child Day Care, which has no County funds, increased \$167,117. Excluding Medicaid and Day Care, county departments increased \$1,777,850 or 5.67%. The school system will present a budget to County Commissioners on May 14. A tentative 5% increase for the schools is recommended in this budget. Based on the fact that the new Lifelong Learning building is scheduled to open in January 2008, a 10.42% increase is recommended for ICC. This will be discussed more thoroughly later in the budget message.

The major reasons for the recommended budget increases for the county departments are outlined in the chart below entitled “Significant Increases from FY2006-2007 to FY2007-2008.”

<b>SIGNIFICANT INCREASES FROM FY06-07 TO FY07-08</b>	
FY 2006-2007 Partially Funded Positions (1)	
Deputy Fire Marshal	\$22,234
DSS Income Maintenance Support II	\$6,930
DSS Child Support Agent II	\$2,741
Six Bostic EMS Positions	\$228,559
Seven Telecommunicators (EMD)	\$141,442
Total Partially Funded Positions	\$401,906
3 Months Pay Raise (2)	\$99,992
Debt Service (3)	\$332,369
Economic Development Incentives (13)	\$100,000
EDC Corporate 74 (4)	\$84,052
EMD Travel/Training (10)	\$18,083
New EMS Satellite Station Operating (11)	\$76,765
Foothills Connect Business and Technology Center (5)	\$100,000
Health Insurance (6)	\$136,682
Hospital Security Contract (12)	\$70,334
Medicaid (7)	\$518,703
Software Maintenance (8)	\$74,499
DSS Daycare (9)	\$167,117
Total Significant Increases	\$2,180,502

1. Sixteen positions were funded in the FY2006-2007 budget that began during the year. The cost of these positions for the full year requires a budget increase of \$401,906.
2. A 3.5% salary increase was effective 10-1-06. Annualized for one year, this is a \$99,992 increase.
3. The FY2006-2007 budget includes three months of debt service payments for capital items approved in FY2006-2007. The FY2007-2008 recommended budget includes twelve months of payments for these projects as well as five months of payments for the recommended FY2007-2008 capital items. After these increases are offset with debt that was retired during FY2006-2007, we have an increase in debt service of \$332,369.
4. EDC Corporate 74 debt reflects the fact that Commissioners approved borrowing \$1,615,000 which will require debt service payments in FY2007-2008 of \$84,052 more than that budgeted in FY2006-2007.

5. Foothills Connect Business and Technology Center is a local non-profit funded in 2005 by the Rural Center. Funding from the Rural Center was \$400,000 for two years. The county committed to funding \$100,000 per year for FY2007-2008 and FY2008-2009.
6. We have included a 15% increase in health insurance rates effective October 1, 2007 for an annualized increase of \$136,682. We have heard possible increases in the range of 12% to 20% from various sources and have included 15% in our recommended budget.
7. Medicaid is discussed on page 16.
8. Software maintenance has increased significantly from last year due to the addition of new programs. Building Inspections (Energov), Vehicle Maintenance (Collective Data), Animal Shelter (Chameleon), Tax (NetVantage) and IT (TGA) along with prorated costs on the new Finance and Human Resources packages are the primary contributors. Prorated numbers are based on information we have been given by vendors and are our best estimates on financials at this time. Also included in the increase are three new software packages requested by the Sheriff's Department, Vision Mobile, Vision Lynx and Vision Go Live.
9. Day Care programs funded through DSS increased \$167,117. This program is funded totally with federal and state dollars.
10. Reflects increases in travel and training for Communications employees due to the implementation of Emergency Medical Dispatch.
11. Includes increases in medical supplies, fuel, building costs associated with the new EMS satellite stations located throughout the County.
12. In October 2006, the Sheriff's Department entered an agreement with Rutherford Hospital to provide security. Even though the hospital is reimbursing the County for all costs involved, it is considered for budgetary purposes to be an increase in expenditures.
13. Reflects anticipated increases in incentives paid in FY2007-2008 based on current outstanding incentive agreements.

## II. TAX RATE/PROPERTY VALUE

### 2007 Rutherford County Reappraisal

The tax charts depicted and discussed in this section represent values calculated at several different periods in time from 12-31-06 to early April 2007. Therefore, values will vary in minor amounts depending on the point in time the chart was prepared. For example, the chart entitled "A Comparison of 2006 versus 2007 Real Property Values by Township in Rutherford County as of 12-31-06" depicted on page 5 shows a 2007 real property value of \$4,768,634,626 as of 12-31-06. The chart entitled "Comprehensive Tax Value Estimates 2006-2007 versus 2007-2008" depicted on page 8 shows a 2007 real property value of \$4,800,000,000 as of April 19, 2007. The difference between these two amounts is less than 1%. Updated values will continue to be forwarded to the County Manager as they become available during the budget discussions.

Rutherford County's last reappraisal was in 2002. State law requires a reappraisal no less than every eight years. It was determined after 2002 to have the next reappraisal after five years in 2007 and then begin the process on a four year cycle. The chart below entitled "A Comparison of 2006 Versus 2007 Real Property Values by Township in Rutherford County" provides a township comparison of real property value for taxable property in Rutherford County from 2006 to 2007.

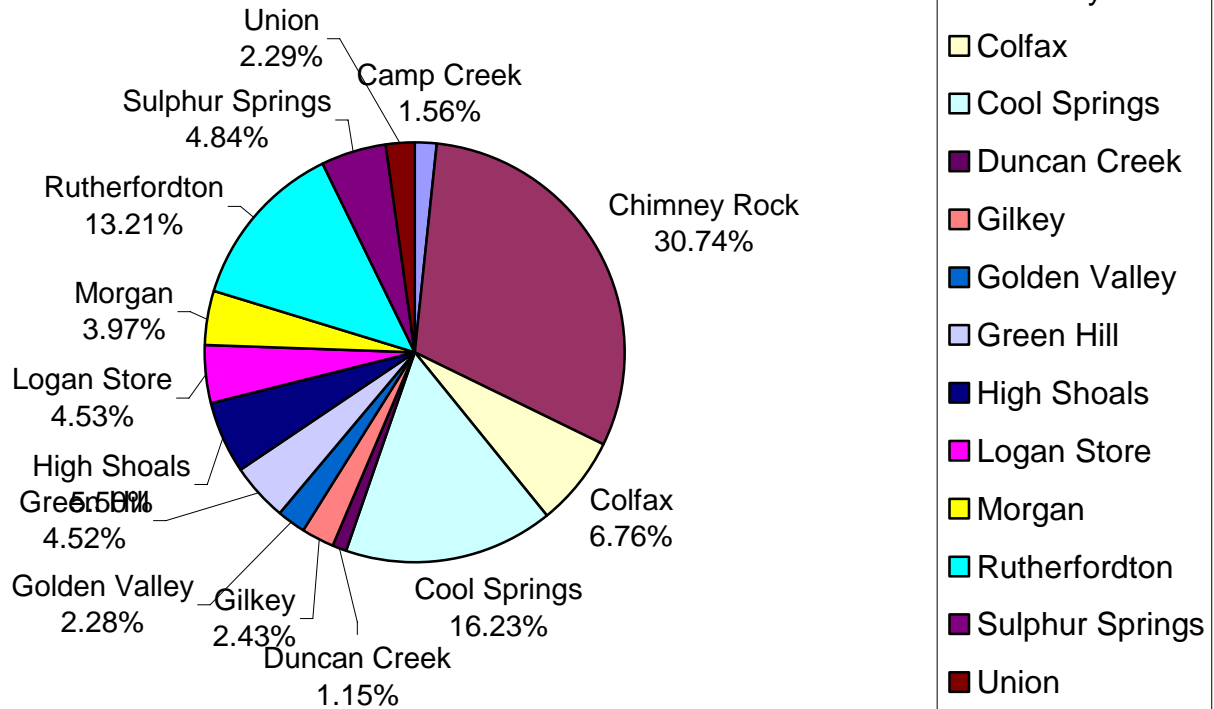
<b>A Comparison of 2006 versus 2007 Real Property Values By Township in Rutherford County as of 12-31-06</b>				
<b>Township</b>	<b>06 Real Gross Value</b>	<b>07 Real Gross Value</b>	<b>Value Difference</b>	<b>Pct Diff</b>
Camp Creek	54,616,950	74,303,000	19,686,050	36.04%
Chimney Rock	804,941,616	1,465,963,908	661,022,292	82.12%
Colfax	260,108,000	322,527,250	62,419,250	24.00%
Cool Springs	634,919,020	773,836,450	138,917,430	21.88%
Duncan Creek	38,854,500	54,692,200	15,837,700	40.76%
Gilkey	86,584,730	115,932,280	29,347,550	33.89%
Golden Valley	72,943,200	108,552,150	35,608,950	48.82%
Green Hill	162,407,610	215,339,910	52,932,300	32.59%
High Shoals	230,778,580	262,141,490	31,362,910	13.59%
Logan Store	170,536,850	215,883,750	45,346,900	26.59%
Morgan	76,671,850	189,244,050	112,572,200	146.82%
Rutherfordton	520,510,400	630,114,600	109,604,200	21.06%
Sulphur Springs	194,577,900	230,927,988	36,350,088	18.68%
Union	87,197,700	109,175,600	21,977,900	25.20%
<b>Grand Totals</b>	<b>3,395,648,906</b>	<b>4,768,634,626</b>	<b>1,372,985,720</b>	<b>40.43%</b>

As indicated by the chart entitled “A Comparison of 2006 versus 2007 by Township in Rutherford County”, real property tax value increased countywide by 40.43%. The lowest percentage increase occurred in the High Shoals Township with an increase of 13.59% with the highest percentage increase in Morgan Township of 146.82%. Approximately 48% of the increase in total value occurred in Chimney Rock. The following bar graph further demonstrates the percentage increase by township.

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The following pie chart shows the value of the townships relative to entire value of the county. The Chimney Rock Township, Cool Springs and Rutherfordton Townships comprise 30%, 16% and 13%, respectively of the taxable real property value in the county. The townships with the highest percentage of increase are Chimney Rock, Morgan, and Golden Valley. This can certainly be attributed to the unprecedented number of new subdivisions (many with multiple phases) that have literally sprung up over the last 2+ years.

**Value of Rutherford County by Township as a Percentage of the County**



The chart entitled “New and Expanded Subdivisions 2006” best illustrates the impact of new or expanded subdivisions on the county’s overall value. Rutherford County’s tax value on these subdivisions increased from \$16,634,000 to \$261,351,950 as this chart shows. This \$244,717,950 increase in value is 17.4% of the total real value increase of the entire county.

<b>NEW AND EXPANDED SUBDIVISIONS 2006</b>				
Township	S/D Name	Ancestor Value	Descendant Value	% Difference
Camp Creek	Tongass Ridge	\$329,100.00	\$2,377,000.00	<b>622.27%</b>
Chimney Rock	Blue Heron Point	\$2,292,100.00	\$26,319,700.00	<b>1048.28%</b>
Chimney Rock	Cleveland Development	\$75,900.00	\$425,800.00	<b>461.00%</b>
Chimney Rock	Cliffside	\$304,600.00	\$6,228,100.00	<b>1944.68%</b>
Chimney Rock	Firefly Cove	\$1,703,400.00	\$27,023,900.00	<b>1486.47%</b>
Chimney Rock	Greyrock Ph 3C	\$5,126,700.00	\$49,814,700.00	<b>871.67%</b>
Chimney Rock	Hickory Nut Vistas	\$61,800.00	\$865,900.00	<b>1301.13%</b>
Chimney Rock	Lure Ridge Estates	\$35,700.00	\$360,000.00	<b>908.40%</b>
Chimney Rock	Old Lamplighter Ph1, 2	\$34,400.00	\$304,400.00	<b>748.88%</b>
Chimney Rock	Ph 3 Highlands of Lake Lure	\$519,700.00	\$3,992,800.00	<b>668.29%</b>
Chimney Rock	Tranquility at Lake Lure	\$197,000.00	\$1,771,500.00	<b>799.24%</b>
Chimney Rock	Vista @ Bills Mtn Ph 1B, 2, 2B, 3	\$1,663,900.00	\$16,668,600.00	<b>901.78%</b>
Colfax	Hills Creek Crossing	\$135,800.00	\$776,600.00	<b>471.87%</b>
Cool Springs	Bonaventure Estates	\$131,500.00	\$470,400.00	<b>257.72%</b>
Gilkey	Clearwater Creek Ph 8, 10, 11, 12, 13 14	\$358,200.00	\$11,024,100.00	<b>2977.64%</b>
Gilkey	Wildewood Ph2	\$286,300.00	\$928,300.00	<b>224.24%</b>
Golden Valley	Fork Mountain Ph 1, 2, 3	\$119,700.00	\$1,227,200.00	<b>925.23%</b>
Golden Valley	South Mtn Peaks Ph 2, 3, 3A, 4, 5	\$365,900.00	\$10,727,000.00	<b>2831.68%</b>
Golden Valley	The Ridge @ South Mtn Ph 2, 3)	\$145,100.00	\$3,070,050.00	<b>2015.82%</b>

Green Hill	Black Rock Falls Ph 2	\$123,900.00	\$2,447,600.00	<b>1875.46%</b>
Green Hill	Blue Hills	\$84,800.00	\$192,100.00	<b>126.53%</b>
Green Hill	Twin Creek Farms	\$106,600.00	\$966,600.00	<b>806.75%</b>
High Shoals	Brookwood	\$23,100.00	\$85,500.00	<b>270.13%</b>
High Shoals	Horse Creek Farms	\$151,100.00	\$2,336,400.00	<b>1446.26%</b>
High Shoals	Pin Oak	\$45,500.00	\$225,000.00	<b>394.51%</b>
Logan Store	Fox Gate	\$32,700.00	\$298,800.00	<b>813.76%</b>
Morgan	High Lodges@Otter Creek	\$533,400.00	\$3,911,800.00	<b>633.37%</b>
Morgan	Ole Plantation	\$512,500.00	\$922,600.00	<b>80.02%</b>
Morgan	Queens Gap	\$210,300.00	\$82,410,300.00	<b>39087.02%</b>
Rutherfordton	Cabin Creek	\$69,000.00	\$173,900.00	<b>152.03%</b>
Rutherfordton	Cedar Creek Mtn Ph 4	\$219,500.00	\$1,354,100.00	<b>516.90%</b>
Rutherfordton	Chestnut Oaks@Little Mtn	\$242,800.00	\$452,300.00	<b>86.29%</b>
Rutherfordton	Sparks Crossing Ph 2	\$274,600.00	\$921,500.00	<b>235.58%</b>
Rutherfordton	Three Oaks	\$65,600.00	\$86,400.00	<b>31.71%</b>
	TOTAL	\$16,634,000.00	\$261,351,950.00	<b>1471.19%</b>

There is no better illustration of the effect of the new subdivisions than in the Morgan Township and Queens Gap. As the chart on page 5 entitled “A Comparison of 2006 Versus 2007 Real Property Values by Township in Rutherford County” shows, Morgan Township experienced the largest increase in value at 146.82%. One subdivision, Queen’s Gap, accounted for 73% of the entire Township value increase.

The chart entitled Comprehensive Tax Value Estimates 2006-2007 versus 2007-2008 compares 2006-2007 total county taxable values and the reappraised values for 2007. Values for personal property, business personal property, public utility values, and DMV values are estimated annually. A more comprehensive historical chart entitled “Assessed Value and Actual Value of Taxable Property Last Ten Fiscal Years” from 1997 may be found in Appendix A, page 42. The slight variation from the real value estimates by township to the real property estimate is due to the fact that there is new construction to be valued for 2007. Also, the informal hearing process with the Board of Equalization and Review convened on April 26, 2007.

**COMPREHENSIVE TAX VALUE ESTIMATES 2006-2007 VERSUS 2007-2008  
AS OF APRIL 19, 2007**

	2006-2007	2007-2008	Estimated	Percent
		Estimate	Gain/(Loss)	Change
Real Property	3,395,049,506	4,800,000,000	1,404,950,494	41.38%
Personal Property	44,460,117	45,000,000	539,883	1.21%
Business Personal Property	299,833,434	310,000,000	10,166,566	3.39%
Public Utility Values	228,694,494	252,000,000	23,305,506	10.19%
DMV Value	400,996,180	420,000,000	19,003,820	4.74%
subtotals	4,369,033,731	5,827,000,000	1,457,966,269	33.37%
Less Homestead Exemption	42,511,150	58,000,000	(15,488,850)	(36.43%)
Less Exempt & DAV1	3,833,330	4,000,000	(166,670)	(4.35%)
Less Present Use Value (deferred)	76,108,300	118,000,000	(41,891,700)	(55.04%)
subtotals	122,452,780	180,000,000	(57,547,220)	(47%)
TOTAL	4,246,580,951	5,647,000,000	1,400,419,049	32.98%

The following table “Neutral Property Tax Growth” is presented in order to establish a revenue neutral tax rate based on established state guidelines. In order to establish this revenue neutral tax rate, the 41.38% increase in real property is combined with the percentage increase in personal property, business personal property, public utility values and DMV values. Secondly, the average annualized growth in total value since the last reappraisal is calculated in order to determine the average percentage increase in the total value of the county. By state recommended guidelines, Rutherford County revenue neutral property tax growth would be 2.36% yielding a revenue neutral tax rate of \$0.47.

As the chart illustrates, the main reason for this low percentage revenue neutral growth rate of 2.36% is because in fiscal years 2003-2004 and 2004-2005, the valuation increases were only .15% and .97%. The principle reason for these two low growth years was the major loss of business machinery and equipment in the manufacturing sectors of the county’s economy. These two years have negatively impacted this 2.36% rate.



REVENUE NEUTRAL CHART			
Fiscal Year	Assessed Valuation*	Valuation Increase	Percentage Change
2007-2008	\$5,647,000,000		
2006-2007	\$4,259,650,000	\$210,115,532	5.19%
2005-2006	\$4,049,534,468	\$123,730,001	3.15%
2004-2005	\$3,925,804,467	\$37,781,254	.97%
2003-2004	\$3,888,023,213	\$5,643,005	.15%
2002-2003	\$3,882,380,208		
		Average growth % not Including revaluation Increase	2.36%
	FY 2006-2007 Valuation = \$4,259,650,000**	FY 2006-2007 Estimated Tax Levy at 61 cents/\$100 = \$25,983,865	
	FY 2007-2008 Valuation = \$5,647,000,000	FY 2007-2008 Estimated Tax Levy at 2.36% Growth Rate = \$26,598,216	Tax Rate Necessary to Result in Tax Levy of \$26,598,216 = .471

\* Source: NC Department of State Treasurer

\*\* Source: 2006 County Certifications as submitted to NC Dept. of State Treasurer

A more equitable approach in determining a revenue neutral tax rate would be to look at the growth in real property from FY2006 to FY2007 which was 7.04%. The chart below illustrates the growth in real property only. Based on conditions as they currently exist with land sales and construction price increases, the county could have reasonably expected a 7.04% revenue increase in real property from FY2007 to FY2008 if a revaluation had not occurred. Using this 7.04% increase, a revenue neutral tax rate would have been .4925.

REAL PROPERTY INCREASES CHART (IN THOUSANDS)				
Fiscal Year	Residential Property	Commercial Property	Total Real Property	% Increase
2007	\$2,845,477	\$440,189	\$3,285,666	7.04%
2006	\$2,645,502	\$424,199	\$3,069,701	3.87%
2005	\$2,528,754	\$426,480	\$2,955,234	2.64%
2004	\$2,442,161	\$437,174	\$2,879,335	1.73%
2003	\$2,407,920	\$422,400	\$2,830,320	

Source: County Certifications as submitted to the NC Department of Revenue

### III. Recommended Tax Rate

As was discussed in **Section II, Tax Rate/Property Value**, a more reasonable revenue neutral tax rate is .4925. However, the chart "Significant Increases from FY06-07 to FY07-08" on page 3 details \$2,180,502 in additional expenses from 2007-2008 that have already been approved. Based on these previously approved items, a tax rate of .4925 may not be adequate particularly in the first year of a revaluation with a goal to maintain the same tax rate in the next four years. This section will lay out a rationale for a tax rate between .4925 and .53. Each penny above the .4925 provides \$542,225 in additional revenue. The two scenarios at .4925 and .53 are briefly explained below:

<b>BUDGETARY ILLUSTRATION FROM .4925 TO .53</b>		
	0.4925	0.53
Recommended Revenues (Exc. Fund Balance and Current Property Tax Revenue)*	\$ 31,060,993	\$ 31,060,993
Current Year Property Tax	\$ 26,704,578	\$ 28,737,922
2% Fund Balance Unspent	\$ 1,184,546	\$ 1,184,546
1% Fund Balance Spent	\$ 592,273	\$ 0
Total Recommended Revenues	\$ 59,542,390	\$ 60,983,461
Recommended Expenditures	\$ 59,227,289	\$ 59,227,289
Commissioner Expansion Projects	\$ 315,101	\$ 1,756,172
* Includes DSS Federal & State Revenue of \$7,935,554.		

Revenues shown above reflect property tax collections at .4925 and .53 cents.  
Expenditures represent those expenditures included in the recommended budget.

We have stated in previous budget messages, based on historical data and financial projections of the county, a certain amount of the general fund would be unspent at the end of any fiscal year. We currently estimate that percentage to be 2%. Based on a \$59,227,289 budget, it is estimated that \$1,184,546 could be budgeted from the fund balance amount without any reduction in the fund balance at year end.

As the previous chart shows, in order to meet the recommended expenditures and allow for some additional growth for the Board's discretion at a tax rate of .4925, we would recommend appropriating up to an additional 1%, or \$592,273, of fund balance for a total of 3%. This would result in \$315,101 being available to appropriate expenditures at the Board's discretion. Although historically it could be demonstrated that the additional 1% might be unspent, we will assume it to be spending fund balance in order to keep this model conservative. At a tax rate of .53 cents, we do not recommend appropriating the additional 1%. The result at that tax rate is \$1,756,172 being available to appropriate expenditures at the Board's discretion.

A complete detailed breakdown by Township is in Appendix B, Page 44. This breakdown shows by numbers of parcels and townships the percentage increase from 2006-2007. Utilizing .4925 as a revenue neutral tax rate, it is a 19.26% reduction from the current rate of .61. Based on that reduction, approximately 43% of the parcels (22,395) in Rutherford County would see no change or a decrease in their tax bill.

At a tax rate of .53 it is a 13.11% decrease from .61. Rounding that 13.11% to a 15% increase or less, 18,594 parcels or 35.82% would see no change or a decrease in their tax bill.

The reduction in the property tax rate will decrease the amount of taxes paid by individuals from 2006-2007 on vehicles. The total vehicle value (\$420,000,000) is 7.44% of the total value of the county (\$5,647,000,000). The chart below illustrates the net average effect of the property tax decrease per household from .61 to .4925 or .53.

**Net Average Effect on Rutherford County Household of Tax Decrease  
from .61 to .4925 or .53 on DMV Automobile Values**

Tax Rate	DMV Value *	Taxable Amount
.61	\$16,052	97.92
.53	\$16,052	85.07
.4925	\$16,052	79.05

\*\$16,052 was calculated by dividing the estimated numbers of households (26,172) into the estimated number of vehicles (67,500) which came to 2.58 vehicles per family. The average value on a vehicle is \$6,222 which was calculated by dividing the total DMV value (\$420,000,000) by the estimated number of vehicles (67,500).

In section **VI. Potential Items for Budget Expansion** are a number of items for consideration. In addition, if any significant progress is made in the building fund area, it will require an ongoing commitment of funding. The implications of this funding are more fully defined in the Rutherford County Long Range Building Study. Repeating one fact from that report; each cent dedicated would generate \$542,225 to the building program.

**IV. RUTHERFORD COUNTY FUND BALANCE**

The following chart shows Rutherford County's fund balance available for appropriation will increase from \$10,696,344 on 6-30-06 to an estimated \$10,904,610 on 6-30-07. The FY 2006-2007 budget initially budgeted \$2,133,580 in fund balance. The fund balance budgeted during the year increased the total to \$2,325,652. As the chart shows we do not anticipate spending any fund balance.

General Fund Balance Available for Appropriation 6/30/06		\$ 10,696,344
FY 2006-2007 Estimated Revenue over Expense		208,266
Estimated Fund Balance Available for Appropriation 6/30/07		\$ 10,904,610
Average percent fund balance for county units between 50,000 and 99,000		24.43%
Statewide average fund balance		20.73%
Rutherford County's percent of fund balance		19.42%
General Fund	\$ 48,262,181	
DSS other revenue	7,899,623	
Total	\$ 56,161,804	
25% operating expense (Optimum reserve fund balance as recommended by the Local Government Commission)		\$ 14,040,451
8.33% operating expense (Minimum reserve fund balance as mandated by the Local Government Commission. If less than this unit is considered to have cash flow problems)		\$4,678,278

The County was able to avoid spending any fund balance in FY2006-2007 in large part due to the following:

Anticipated Surplus in Current Year Ad Valorem Tax Revenue	\$335,000
Sale of State Data Center Property	\$225,000
Anticipated Surplus in EMS Collections	\$671,000
Anticipated Surplus in Interest on Investments	\$300,000
State Revenue to Public Schools Negated County \$ Required for Bus Driver Pay Increase	\$317,000
Lower than expected County Cost for Social Services (\$350,000 due to Medicaid cap)	\$780,000
Closing of Financing of Corporate 74 Financing occurring later than expected	<u>\$110,000</u>
Total Positive Variance in Budgeted and Revised Estimate	\$2,738,000

Since the 2002 Revaluation, the County has budgeted fund balance each year prudently and conservatively. From 2002 to 2007 the fund balance available for appropriation has grown from \$5,482,499 to \$10,904,610 which is 13.61% to 19.42% of the budget respectively.

## V. BUDGET REDUCTIONS

The following budget reductions were made in FY2007-2008 from department heads requests to the recommended budget.

### 1. **Building Request**

County departments and agencies requested \$490,533. This was reduced to \$420,469. The following items were transferred from annual building project requests to the Building Space Needs Request: airport garage for fuel trucks, \$51,000; dirt for site for 3 airport hangers, \$200,000; professional services to do feasibility and design studies for Recreation, Culture & Heritage \$70,000.

### 2. **DSS Operating and Lapse Rate Reduction**

Various operating and salary lapse rate reductions were made that lowered the DSS expense by \$137,283.

### 3. **Economic Development**

The EDC budget request was reduced by \$148,021 as follows: site development services for the Highway 221 property, \$100,000; contingency, \$25,000; convert part time position to full time position, \$23,021.

### 4. **Information Technology Director Overlap**

In order to plan for an orderly transition with all the current projects underway, particularly the software upgrades in Finance and Human Resources, an extended interim directorship was requested and is discussed in some detail in the IT budget request. The amount requested is \$43,565.

### 5. **Lease Purchase Equipment/Vehicle/Technology Requests**

Total General Fund equipment, vehicle and technology requests were \$2,315,483. This was reduced to \$1,947,483 which is recommended to be lease purchased. Debt service payments for 5 months at 5 % are budgeted at \$270,203.

### 6. **New Positions**

Twenty-five new full-time positions and two new part-time positions were requested from the general fund and none are currently budgeted at a savings of \$907,398 (\$889,491 full time, \$17,907 part time). The new full time positions with their annual county cost are listed in **Section VI, Potential Items for Budget Expansion.**

## VI. POTENTIAL ITEMS FOR BUDGET EXPANSION

The following items are recommended for County Commissioner review for consideration for inclusion in the FY 2007-2008 budget.

### BUDGET EXPANSION FY 2007-2008

EDC Request Hwy 221 Project	\$ 100,000
EDC Request Contingency	\$ 25,000
Isothermal Community College Request	\$ 63,457
IT Director Overlap	\$ 43,565
Merit Pay	\$ 68,160
New Position Requests	\$ 889,491
Rutherford County Schools	\$ 581,114
Salary Increase-Cost of Living Adjustment (COLA) each 1%	\$ 136,093

**Isothermal Community College-** ICC's budget in FY 2006-2007 was \$1,636,461. Their request in FY 2007-2008 is \$1,870,370. This increase is \$233,909 or 14.29%. The Lifelong Learning Center is currently under construction on the ICC campus. Current estimates are that the building will be completed and turned over to ICC on September 1, 2007. A brief summary of ICC's estimated annual budget increase for this building is below.

Salaries (2 positions)	\$ 44,453
Fringes	15,219
Utilities	47,000
Insurance	6,000
Supplies	5,000
Other	500
<b>Total</b>	<b>\$118,172</b>

It is recommended that 75% of this annual cost or \$88,629 be approved. In addition, a 5% increase to their current budget is recommended which is \$81,823. The total increase is \$170,452 or 10.42%. You will find a draft of ICC budget in Appendix C, page 47.

**IT Director Overlap-** In order to plan for an orderly transition with all the current projects underway, particularly the software upgrades in Finance and Human Resources, an extended interim directorship was requested and discussed in some detail in the IT budget request. The request totaled \$43,565.

#### **New Position Request**

Rutherford County Department heads have requested twenty-five new positions to be funded from the General Fund in the FY2007-2008 budget. The rationale is described in the Department Information Book by each department head. The Manager's budget does not recommend any employees funded by the General Fund prior to Commissioners holding budget work sessions. It is recommended that some department heads be allowed to present their case for additional employees in a special budget workshop. Due to the varied nature of the request, the County Manager would request Commissioner input into this decision making process. This process will assist the Manager in determining County Commission budget priorities.

<b>NEW FULL-TIME POSITIONS 2007-2008</b>			
<b>Department</b>	<b>Position</b>	<b>Salary</b>	<b>Salary with fringe</b>
Economic Development	Administrative Assistant	\$ 24,026	\$ 32,305 Part time eliminated <9,284> Net Cost \$ 23,021
Human Resources/ Governing Body/ County Manager	Administrative Secretary	\$ 26,211	\$ 34,871 \$11,624/ea Part time eliminated <12,138> Net Cost \$22,733
Library	Children's Librarian	\$ 30,424	\$ 39,828 Part time eliminated <15,114> Net Cost \$24,714
Information Technology	IT Analyst	\$ 33,603	\$ 43,565
Information Technology	Imaging Technician	\$ 28,949	\$ 38,090
Sheriff's Dept.	(8) Road Deputies (including \$28,808 for unif/equip)	Starting \$27,545 Maximum \$31,579	\$ 357,914
Sheriff's Dept.	Front Office/Detective's Secretary	\$ 24,026	\$ 32,305 Part time eliminated <9,980> Net Cost \$22,325
Sheriff's Dept.	Court House Security Officer	\$ 27,545	\$ 36,401
Animal Control	Animal Control Officer	\$ 27,545	\$ 36,401
Detention	(4) Detention Officers	\$ 26,211	\$ 139,496
Narcotics Division	Narcotics Officer/Sergeant	Starting \$35,756 Maximum \$36,656 with 29 hrs. O/T	\$ 54,913
Social Services	Income Maintenance Caseworker II- Adult Medicaid Unit	\$ 26,211	\$34,875/\$15,747 County Cost
Social Services*	Processing Assistant III - Child Support Division	\$ 22,206	\$29,954/ \$0 County Cost - Child Support Incentive Funds
Veteran Services	Secretary	\$ 22,581	\$ 30,606
Maintenance	Lead Grounds & Outdoor Facilities Technician	\$ 33,603	\$ 43,565
<b>TOTAL</b>			\$ 889,491

\*In the past few years, Social Services has been getting child support incentive revenue to use at their discretion. In FY2007-2008, in order to get these incentive funds Social Services has to use the revenue on new Child Support expenditures. Based on the funding formula, if Social Services adds a Child Support staff person, not only will this position be funded with these incentive funds, but it will also result in freeing up funding for other staff in the amount of \$13,206. A more complete discussion of new positions is in the Department Information Book.

**Rutherford County Schools**-Rutherford County School's budget in FY 2006-2007 was \$11,122,007. The increased request in FY 2007-2008 is \$1,137,214 or 10.2%. The recommended budget includes a 5% increase totaling \$556,100. Each additional 1% increase in the budget is \$111,220.

**Salary Increase/COLA**-Each 1% salary increase for county employees paid by the General Fund is \$136,093. The Pay and Classification Study in 2004 assured equity among all full time employees based on their job duties. Since 2004 county employees have received COLA's of 6%, while the Social Security COLA has increased 10.1%.

Effective Date	Social Security COLA	County COLA	Shortfall
2005	2.7%	2.5%	.2%
2006	4.1%	3.5%	.6%
2007	3.3%		3.3%
Total	10.1%	6%	4.1%

Several reclassifications and salary adjustments were requested by departments. A summary of these requests along with the Manager's recommendations are included in the Human Resources section of the Departmental Information Book.

**Salary Increase-Merit**-Performance evaluations were completed by all departments this year. Merit pay incentives were provided to employees who scored 40 or higher. The maximum score that could be received was 45. These employees received a one time incentive of \$500. Employees whose work saved the county time or money were awarded a one time incentive of \$1,000. We are requesting \$68,160 to continue this plan for the 2007-2008 budget year. This represents 1/2% of the salary.

**Special Appropriations**-The following special appropriations requests were reduced in the recommended budget by the following amounts. Recommended increases for agencies requesting continued funding were capped at 5%. For those agencies that were not funded last year, there is no funding in the recommended budget (see those agencies marked as \* below).

Air Rescue	\$2,364
Community Clinic of Rutherford County	\$1,750
Hickory Nut Gorge Operations	\$29,274
Rutherford Historical Society*	\$4,995
Genealogical Society of Old Tryon*	\$10,800
Rutherford Rescue Operations	\$558
Search and Rescue	\$853
Traffic Control	\$10,627
Volunteer Life Saving-Operations/Capital	\$14,281/\$8,874

## VII. MEDICAID

In FY2006-2007 the state of North Carolina put into place a one time Medicaid relief for counties by capping county Medicaid costs at 2005-2006 actual expenditures, with a total cost to the State not to exceed \$27.4 million. Based upon the fact that this cap was only for one year, Rutherford County could potentially have to absorb a two year increase in Medicaid cost in FY2007-2008. The following chart provides a history of Medicaid growth in the county since 2002-2003.

RUTHERFORD COUNTY					
Medicaid Growth			Current Year Ad Valorem		
Fiscal Year	Cost	%Change	Collections	%Change	%Medicaid/Ad Valorem
02-03	\$3,220,690	1.30%	\$23,401,911		13.76%
03-04	\$3,320,217	3.09%	\$23,112,804	-1.24%	14.37%
04-05	\$4,012,876	20.86%	\$23,577,630	2.01%	17.02%
05-06	\$4,111,524	2.46%	\$24,433,858	3.63%	16.83%
06-07Est	\$4,030,832*	-1.96%	\$25,093,359**	2.70%	16.06%
07-08Est	\$4,918,703	22.03%	\$26,704,578***	6.42%	18.42%
Average Increase	\$339,603	7.96%	\$660,534	2.71%	

\*Based on the calculations prepared by the State, Rutherford County was capped at \$4,030,832 for FY 2006-2007 assuming the State does not exceed a cost in total of \$27.4 million. If the cap were not in place, we estimate that the County's cost would be \$4,554,000 in 2006-2007.

\*\*Tax rate was decreased from 62 cents to 61 cents.

\*\*\*Based on a tax rate of 49.25 cents

Several legislative options to provide Medicaid relief to counties are being discussed by the General Assembly. No final decisions have been finalized prior to the Budget Message being completed. This issue will be followed for further discussion during the budget process.

## VIII. SIGNIFICANT PROJECT UPDATES

**Mental Health Funds**-Western Highlands, Local Management Entity (LME) formed as a result of the merger of three Area Programs—Blue Ridge, Rutherford-Polk, and Trend and began operations January 1, 2004. Rutherford County will have approximately \$465,152 designated from the dissolution of Rutherford-Polk-Mental Health Authority to spend on mental health expenditures. Last year, it was recommended that a committee be formed to make local grants utilizing these funds. However, on November 1, 2006 New Vistas, the primary non-profit that provided mental health services to the Western Highlands area, ceased operation. After that point, Rutherford County made the following financial concessions to the following companies to provide services in Rutherford County.

Family Preservation Services \$200,000 (this includes \$50,000 for Magnolia House)  
Free space until June 30, 2007

Parkway Behavioral \$20,000/\$1,000 per month until June 30, 2007  
Free space until June 30, 2007

PSC Free space until June 30, 2007



The closing of New Vistas in 2006 made the formation of the committee difficult last year. However, based on circumstances today, this recommendation is repeated. Requests from Family Preservation Services, Parkway Behavioral, PSC, and Rutherford Life Services should be anticipated. There is \$245,152 remaining in dissolution funds. In addition, Rutherford County budgeted \$102,168 in annual Maintenance of Efforts (MOE) funds that may also be available to supplement those dissolution funds.

**Rutherford 74 Corporate Center**—In FY 2004-2005, Rutherford County awarded contracts and received grants for Rutherford 74 Corporate Center as outlined below.

<b>SOURCES</b>	
NC Dept of Transportation	\$ 284,337
Community Development Block Grant	420,000
North Carolina Rural Center	405,917
Appalachian Regional Council	200,000
Local Funds from Financing	148,385
Local Funds General Fd/Timber Proceeds	377,084
Total Sources	\$ 1,835,723
<b>USES</b>	
APAC Contract as Amended	\$ 1,598,123
Odom & Hollifield Engineering	98,600
S&ME Contract as Amended	39,600
IPDC Administration	34,000
Construction Administration/Odom & Hollifield	40,400
Contingency	25,000
Total Uses	\$ 1,835,723

In the summer of 2007, the county plans on borrowing not more than \$1,615,000. These funds will be used as outlined below:

<b>RUTHERFORD COUNTY, NC</b>	
<b>CORPORATE 74 PROJECT</b>	
<b>COSTS TO BE INCLUDED IN TAXABLE FINANCING</b>	
FY 2006-07 Budgeted Debt Issuance	\$ 1,615,000
Corporate 74 Project Costs to be Financed	
Grading	\$ 924,331
APAC Change Order 2 Approved 11/6/06	148,385
Soil Testing	40,000
Engineering Fee for Grading Plan	25,000
Debt Issuance Costs	25,000
Water Line - State Data Center	15,815
Sewer - State Data Center	7,000
Signage	15,000
ECP Application Fee	2,000

Contingency	412,469
Total Project Costs	\$ 1,615,000

**Rutherford County Sheriff's Department/Animal Shelter**-Appendix D, page 53 submitted by Keven McCammon on behalf of county animal rights organizations, is submitted for discussion during the budget process.

**Water and Sewer Update**-The update to the water/sewer plan is provided as Appendix E, page 57 of this report.

## IX. BUILDING FUND

County building fund requests for FY 2007-2008 were \$490,533. This was reduced to \$420,469. A full list of projects is listed in Appendix F, page 60.

A five year projection of the building fund is in the chart below. In addition, a separate book entitled "Rutherford County 2007 Long Range Building Study" should be discussed with this topic.

<b>RUTHERFORD COUNTY BUILDING CASH PROJECTION</b>			
<b>FISCAL YEARS 2006 TO 2012</b>			
<b>Fund Balance 6/30/06</b>	<b>\$ 908,387</b>	<b>Building Cash Available 6/30/09</b>	<b>\$ 597,920</b>
FY 06-07 Sales Tax	\$ 1,201,600	FY 09-10 Sales Tax	\$ 1,325,769
Contribution from Court Facilities	\$ 46,367	Contribution from Court Facilities	\$ 46,367
FY 06-07 Expense	\$ (259,895)	FY 09-10 Expense	\$ (309,000)
Airport Grant Match	\$ (16,668)	Airport Grant Match	\$ (16,668)
FY 06-07 Debt Service	\$ (1,054,799)	FY 09-10 Debt Service	\$ (1,045,706)
<b>Building Cash Available 6/30/07</b>	<b>824,992</b>	<b>Building Cash Available 6/30/10</b>	<b>\$ 598,681</b>
FY 07-08 Sales Tax	\$ 1,249,664	FY 10-11 Sales Tax	\$ 1,365,542
Contribution from Court Facilities	\$ 46,367	Contribution from Court Facilities	\$ 46,367
FY 07-08 Expense	\$ (403,801)	FY 10-11 Expense	\$ (318,270)
Airport Grant Match	\$ (16,668)	Airport Grant Match	\$ (16,668)
FY 07-08 Debt Service	\$ (1,065,709)	FY 10-11 Debt Service	\$ (1,031,664)
<b>Building Cash Available 6/30/08</b>	<b>\$ 634,845</b>	<b>Building Cash Available 6/30/11</b>	<b>\$ 643,988</b>
FY 08-09 Sales Tax	\$ 1,287,154	FY 11-12 Sales Tax	\$ 1,406,508
Contribution from Court Facilities	\$ 46,367	Contribution from Court Facilities	\$ 46,367
FY 08-09 Expense	\$ (300,000)	FY 11-12 Expense	\$ (327,818)
Airport Grant Match	\$ (16,668)	Airport Grant Match	\$ (16,668)
FY 08-09 Debt Service	\$ (1,053,778)	FY 11-12 Debt Service	\$ (1,022,148)
<b>Building Cash Available 6/30/09</b>	<b>\$ 597,920</b>	<b>Building Cash Available 6/30/12</b>	<b>\$ 730,229</b>

## **X. EQUIPMENT AND VEHICLE LEASE PURCHASE**

The list of equipment and vehicles requested are in Appendix G, page 63. A more detailed explanation for many equipment items appears in the Department Information Book. For the recommended list of equipment and vehicles, there is \$270,203 debt service budgeted in FY2007-2008. The debt service is budgeted at 5% on \$1,547,483 for 36 months and \$400,000 for 59 months with payments starting in February 2008.

The major items in this year's lease purchase requests are vehicles, hardware and software. The vehicles are in the Sheriff's Department (\$337,500), EMS (\$278,500), Maintenance (\$18,000), Inspections (\$18,500), and Animal Control (\$27,400). The computer hardware and software request continues the implementation of the technology strategic plan developed by North Carolina Institute of Government (\$939,422) and implements the first phase of recommendations from the Telecommunications Study presented to Commissioners at the March 2007 meeting (\$134,000).

## **XI. ZERO BASED BUDGETING**

During budget formulation for FY2007-2008, county departments were asked to prepare itemized and prioritized lists for travel and training, professional services, and part time salaries. Those can be found in individual department's budgets. Appendix H, page 66 lists those summary sheets for the above items.

Finally, every incremental expansion of county government each year is handled on a zero based budget basis. Each need is explained and the County Commissioners determine where expansion will occur.

## **XII . STATISTICAL PROFILE OF RUTHERFORD COUNTY BUDGET AND TAX RATE**

A full detailed report from the North Carolina Association of County Commissioners entitled Budget Tax Survey 2006-2007 is attached in Appendix I, page 68.

These 2006-2007 selected examples from that survey offer a statistical glimpse of Rutherford County based on a statewide comparison with other counties. A brief analysis of these charts shows Rutherford County ranks 62 in population. The county's number of employees rank 45 and budgeted expenditures rank 54. The county's population rank (62) is 17 and 8 places higher than employees and expenditures respectively.

The county's tax rate of .61 is lower than the statewide average of .65. The county's valuation per capita \$66,224 is lower than the state average \$87,452 and tax levy per capita \$404 to \$514.

Rutherford County's current expense/ADM ranks 43 of 100 counties and is \$210 dollars below the state average. However, when the Debt Service/Expense/ADM is reviewed, Rutherford County ranks 84 and exceeds the state average by \$237. This is a reflection of the aggressive building program under taken jointly by the county and the school system.

<b><u>Population</u></b>		
Name of County	Number	Rank out of 100
Tyrell	4,203	1
Rutherford	63,303	62
Mecklenburg	796,232	100
<b>Average</b>	<b>86,821</b>	

<b><u>Employees</u></b>		
Tyrell	60	1
Rutherford	352	45
Mecklenburg	4,983	100
<b>Average</b>	<b>624</b>	

<b><u>Budgeted Expenditure 2006-2007</u></b>		
Tyrell	\$ 5,439,964	1
Rutherford	55,457,640	54
Mecklenburg	1,257,662,709	100
<b>Average</b>	<b>98,549,908</b>	

<b><u>Tax Rate</u></b>		
Dare	.26	1
Rutherford	.61	39
Scotland	1.10	100
<b>Average</b>	<b>.6491</b>	

<b><u>Valuation per capita</u></b>		
Robeson	41,505	1
Rutherford	66,224	44
Dare	483,041	100
<b>Average</b>	<b>87,452</b>	

<b><u>Tax Levy per Capita</u></b>		
Dare	1,256	100
Madison	269	1
Rutherford	404	22
<b>Average</b>	<b>514</b>	

<b><u>Local School System County Current Expense</u></b>		
Graham	521,000	1
Rutherford	11,122,007	58
Mecklenburg	312,570,298	100
<b>Average</b>	<b>22,182,861</b>	

<b><u>Current Expense/ADM</u></b>		
Swain	326	1
Rutherford	1111	43
Pender	5539	100
<b>Average</b>	<b>1321</b>	

<b><u>Debt Service/Expense/ADM</u></b>		
8 Counties Tied	0	1
Rutherford	605	84
Dare	2769	100
<b>Average</b>	<b>368</b>	

### XIII. TEN COUNTY DEPARTMENTAL SURVEY

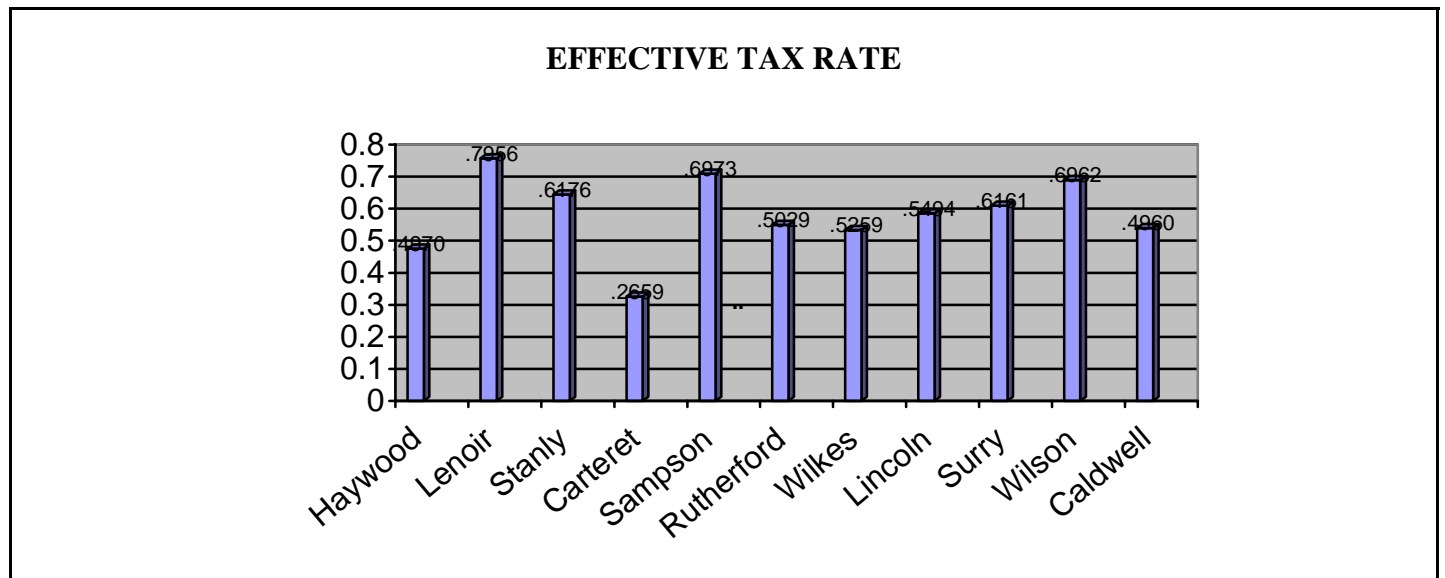
The following chart represents the ten counties--five above and five below Rutherford County in population and their respective number of employees in total and per thousand population. Rutherford County has 352 full time employees or 5.56 per 1,000 people. In total number or employees per 1000 population, Rutherford County's 5.56 is well below the mean (7.87) and median (7.91) of the ten counties surveyed. For the purpose of our survey we did not include employees of the Health Department, who would have been included if it was a single county department. Also some counties have departments such as utilities which did not correspond to ours which can skew results. The total number of full time employees for the ten counties surveyed is as follows:

#### COUNTY EMPLOYEES

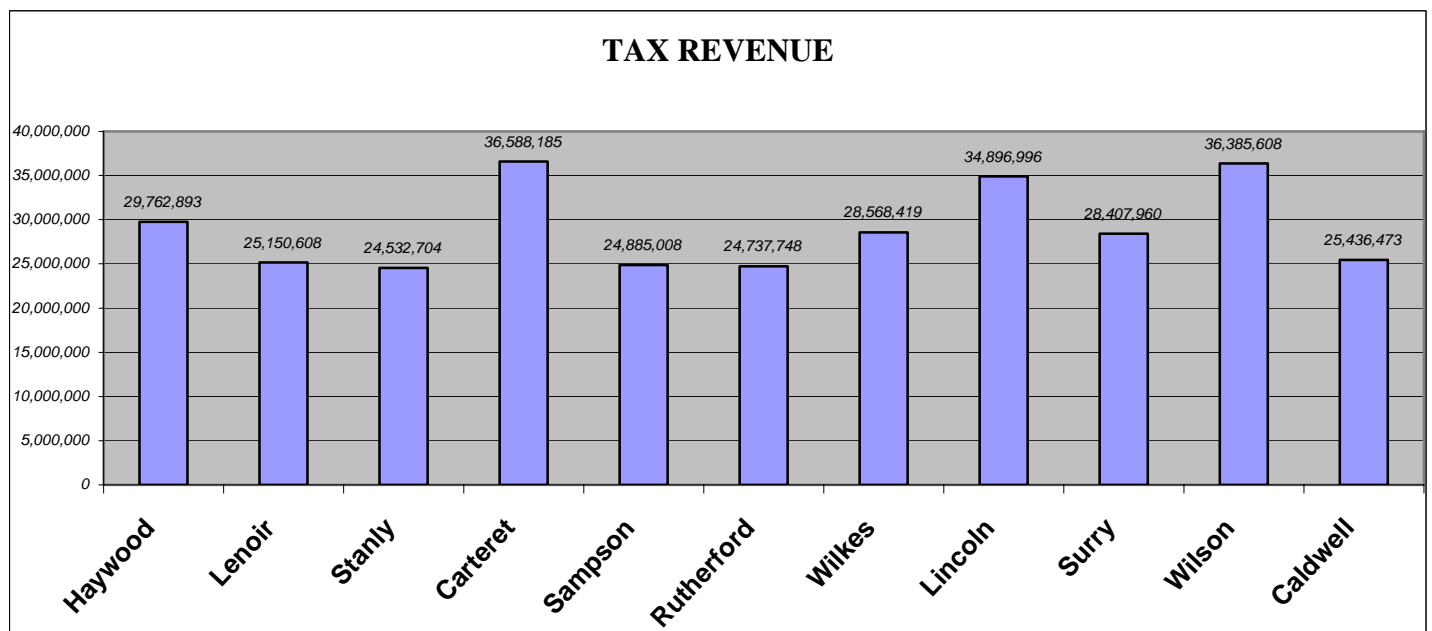
	Population	# of Employees	Employees /1,000 in population	Effective Tax Rate	Property Tax Revenue	Tax Per Capita
Haywood	56,595	526	9.29	.4970	29,762,893	542
Lenoir	58,278	461	7.91	.7956	25,150,608	462
Stanly	58,912	450	7.64	.6176	24,532,704	434
Carteret	62,760	390	6.21	.2659	36,588,185	599
Sampson	63,566	625	9.83	.6973	24,885,008	411
Rutherford	63,303	352	5.56	.5029	24,737,748	404
Wilkes	66,897	505	7.55	.5259	28,568,419	416
Lincoln	69,529	618	8.89	.5494	34,896,996	519
Surry	73,028	613	8.39	.6161	28,407,960	405
Wilson	76,826	674	8.77	.6962	36,385,600	480
Caldwell	78,492	515	6.56	.4960	25,436,473	342

Three (3) other key factors on budget and tax are presented for your review-- effective tax rate, property tax revenue and tax levy per capita. These numbers were taken from the North Carolina Association of County Commissioners Final 2006-2007 Budget and Tax Survey Information. The report is also compiled from the information in Appendix I, page 68.

We compare the effective tax rate per \$100 of the eleven counties by multiplying the actual tax rate times the corresponding sales assessment ratio. Using this formula we compared Rutherford County to the ten counties in our survey and find that Rutherford County has the third lowest effective tax rate of the eleven counties in our survey. The mean average tax rate for the eleven counties is .569 and the median is .5494.

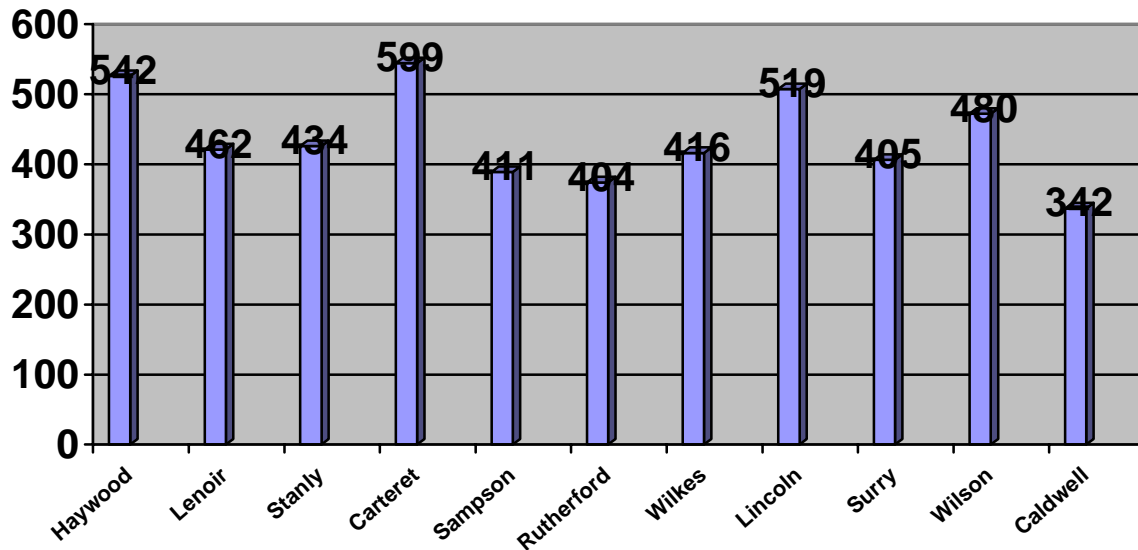


The next analysis in this section is the property tax revenue and tax per capita. Rutherford County's property tax revenue is the third lowest of the eleven counties at \$24,737,748 and below the mean value (\$29,032,054) and the median value (\$28,407,960)



Rutherford County's property tax levy per capita is the second lowest, and below the mean average of \$456 and median of \$ 434.

### TAX LEVY PER CAPITA



### XIV. DEPARTMENTAL COMPARISON

The county surveyed ten counties of comparable size to determine a departmental comparison. Of the ten, four of the surveys were returned. (See Appendix J, page 78 for charts)

Rutherford County's Transit and Tourism programs are stronger and more vital than in most counties. The Tourism Department is one of two Tourism Departments in the survey. The Transit Department is the only one of three counties surveyed.

Last year nine departments fell below the mean numbers in both budget and employees. This year six departments are below the mean which identifies the true average of all counties responding. These departments are: Administrative, Animal Control, Detention, Register of Deeds, Social Services and Veterans.

The Solid Waste Department has appreciably lower numbers of employees than the mean but higher budgets than the other counties.

The Library and the Soil and Water Department have an equal number of employees and lower budgets than the other counties surveyed. Cooperative Extension has a few more employees and a lower budget than those surveyed.

The Economic Development budget has higher budget numbers and an equal number of employees. This reflects the commitment of the county toward securing and assisting current employers with expansion and relocation for the purpose of providing Rutherford County's working population with viable employment opportunities.

The Information Technology budget contains capital expenditures which accounts for sixty percent of the budget. Eliminating these costs puts our IT department slightly lower than the mean for all other counties in operational expenses. Employee counts are consistent with other counties.

Departments with equal numbers of employees but higher budgets are: Elections, Communications, and the Sheriff's Department.

The Tax Department has higher numbers in both employees and budget. The Tax Department numbers are higher because within our Tax Department we have the GIS/ Mapping, Addressing and Sign Maintenance Departments. Very often these Departments are separated or are affiliated with other County Departments. In addition, the number of land parcels in Rutherford County is approximately 53,500; whereas, the other counties surveyed average 39,000 parcels. This increased number of parcels impacts the amount of work to be done.

The Building Inspections Department, Emergency Medical Services, Maintenance, and the Senior Center all have budgets and employee counts higher than the counties surveyed. However, it should be noted that these departments are experiencing expanded growth in the services they provide.

**To summarize:**

- Six departments have fewer employees and lower budgets (Administrative, Animal Control, Detention, Register of Deeds, Social Services and Veterans).
- One department has fewer employees and a higher budget (Solid Waste).
- Two departments have equal employees and lower budgets (Library and Soil and Water).
- Five departments have almost an equal number of employees and higher budgets (EDC, Communications, IT, Board of Elections, Sheriff).
- One department has more employees and a lower budget (Cooperative Extension).
- Five departments were above average in both employees and budget (Tax, Building Inspections, EMS, Maintenance, Senior Center).
- The remaining 2 departments (Tourism, Transit) have little comparison with the counties surveyed.



**XV. FY2006-2007 GENERAL FUND REVENUE AND EXPENSE BY DEPARTMENT**

GENERAL FUND REVENUE AND EXPENSE BY DEPARTMENT				
FISCAL YEAR 2007-2008				
			OTHER	COUNTY
DEPARTMENT	EXPENSE		REVENUE	REVENUE
GOVERNING BODY	272,514			272,514
SPECIAL APPROPRIATIONS				
RETIRED EMPLOYEES INS	98,000			98,000
COMMUNITY CLINIC OF RUTHERFORD	5,250			5,250
FOOTHILL CONNECT	100,000			100,000
JCPC PSYCH SVS	8,184		6,820	1,364
JCPC OTHER	166,823		166,823	0
CJPP	79,156		79,156	0
TRAFFIC CONTROL	7,090			7,090
UBRWPP	10,000			10,000
WNC COMMUNTIES	2,500			2,500
SEARCH & RESCUE	1,147			1,147
FUTURE FORWARD	3,165			3,165
IPDC DUES	11,130			11,130
VOLUNTEER RUTHERFORD	1,000			1,000
RUTHERFORD RESCUE OPS	40,777			40,777
HICKORY NUT RESCUE CAP	20,000			20,000
VOL LIFE SAVING CAP	24,816			24,816
AIR RESCUE	5,636			5,636
VOL LIFE SAVING OPS	31,719			31,719
HICKORY NUT OPS	95,526			95,526
RUTHERFORD RESCUE CAP	26,408			26,408
COPS ADMIN FEE	2,694			2,694
RURAL DEVELOPMENT	3,000			3,000
COUNTY HISTORIAN	6,000			6,000
INSURANCE POOL	399,447			399,447
JCPC ADMIN	5,875		5,875	0
INDIRECT COSTS OTHER FUNDS	-65,136			-65,136
COUNTY MANAGER	134,102			134,102
HUMAN RESOURCES	121,054			121,054
FINANCE	361,813			361,813
TAX SUPERVISOR	703,320		18,000	685,320
TAX COLLECTOR	315,697		25,000	290,697
LEGAL	58,300			58,300
COURT FACILITY	155,315		175,400	-20,085
BOARD OF ELECTIONS	252,634		15,000	237,634
REGISTER OF DEEDS	290,910		935,920	-645,010
INFORMATION TECHNOLOGY	1,591,122		53,000	1,538,122
GARAGE	101,843			101,843
MAINTENANCE ADMIN	728,087		500	727,587
BUILDINGS	902,497		436,061	466,436
SHERIFF	4,248,731		254,994	3,993,737

			OTHER	COUNTY
DEPARTMENT	EXPENSE		REVENUE	REVENUE
DETENTION CENTER	1,962,923		548,600	1,414,323
COMMUNICATIONS	942,054		91,000	851,054
BUILDING INSPECTOR	555,138		434,740	120,398
CORONER	50,400			50,400
EMERGENCY SERVICES	2,654,535		1,714,526	940,009
ANIMAL CONTROL	190,677		35,100	155,577
AIRPORT	177,501		13,294	164,207
WATERSHED	16,550			16,550
FORESTRY	64,923			64,923
ECONOMIC DEVELOPMENT	1,167,472		25,000	1,142,472
COOPERATIVE EXTENSION	194,775			194,775
FARMERS MARKET	3,413			3,413
SOIL & WATER	115,992		28,000	87,992
HEALTH DEPT	269,079			269,079
MENTAL HEALTH	111,168		12,000	99,168
SENIOR CENTER	208,751		137,199	71,552
HOME DELIVERED MEALS	129,725		88,879	40,846
CONGREGATE MEALS	259,489		208,984	50,505
HEALTH SCREENING	22,929		7,770	15,159
UNITED WAY MEALS	30,270		30,270	0
VETERANS	68,577		2,000	66,577
PUBLIC SCHOOLS	11,678,107			11,678,107
SCHOOLS BLDG FUND	231,525		231,525	0
COMMUNITY COLLEGE	1,806,913			1,806,913
LIBRARY	530,673		151,580	379,093
ARTS PARKS AND RECREATION	104,747			104,747
DEBT SVS CAP LEASES	1,195,886			1,195,886
TRANS TO SCHOOL CAP RES	4,856,383		4,856,383	0
TRANS TO REVALUATION RES	260,000			260,000
TRANS TO COUNTY BLDG RES	1,249,664		1,249,664	0
TRANS TO ROD AUTOMATION FUND	102,880		102,880	0
TRANS TO DSS FUND	8,201,143			8,201,143
TRANS TO ICC CAP RES FD	124,245		124,245	0
TRANS TO WATER/SEWER FUND	288,400		288,400	0
CONTINGENCY HEALTH INSURANCE	136,682			136,682
COMMISSIONER EXPANSION PROJECTS	315,101			315,101
AD VALOREM TAX			27,815,578	-27,815,578
INTEREST ON INVESTMENTS			975,000	-975,000
CABLE TV FRANCHISE FEES			40,000	-40,000
SALES TAX			6,146,668	-6,146,668
VEHICLE RENTAL TAX			12,500	-12,500
RENTS			3,200	-3,200
SALE OF COUNTY PROPERTY			30,000	-30,000
MISC REVENUE			10,000	-10,000
TRANSFER FROM INSURANCE FD			295,000	-295,000
CAPITAL LEASES			1,947,483	-1,947,483
FUND BALANCE APPROPRIATED			1,776,819	-1,776,819
<b>TOTALS</b>	<b>51,606,836</b>		<b>51,606,836</b>	<b>0</b>
DSS FEDERAL/STATE REVENUE EXPENSE	<b>7,935,554</b>		<b>7,935,554</b>	

<b>GRAND TOTALS</b>	<b>59,542,390</b>		<b>59,542,390</b>	
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## XVI. RECOMMENDED FY2007-2008 GENERAL FUND REVENUES

RECOMMENDED FY 2007-2008 REVENUE BUDGET			
	FY 2006-07	FY 2006-07	FY 2007-08
	AMENDED	ESTIMATE	
REVENUE SOURCE	BUDGET	REVENUE	RECOMMENDED BUDGET
PENALTIES & INTEREST	245,000	17,500	257,500
PRIOR YEAR TAX	1,036,000	900,000	900,000
CURRENT YEAR TAX	24,695,748	25,030,566	26,658,078
1% SALES TAX	4,522,600	4,120,000	4,120,000
1/2% SALES TAX (ART 40)	2,806,814	3,004,000	3,124,160
1/2% SALES TAX (ART 42)	2,793,405	2,986,665	3,106,132
ADDITIONAL 1/2% SALES TAX	2,250,445	2,226,027	2,315,068
RENTAL VEHICLE GROSS RECEIPTS	8,000	12,500	12,500
REG OF DEEDS EXCISE STAMPS	320,000	545,000	566,800
ABC BOTTLE TAX	10,000	12,000	12,000
COURT JAIL FEES	45,000	45,000	45,000
DUI SAFE ROADS ACT	7,000	7,000	7,000
COURT OFFICER FEES	39,000	39,000	39,000
COURT FACILITY FEES	145,000	170,000	170,000
COURT FACILITIES RENT	5,400	5,400	5,400
COURTS PROC FEES CV	23,500	30,000	30,000
COURTS - MISC FEES/REVENUES	12,930	12,940	0
NC DEPT OF CORRECTIONS	90,000	105,000	105,000
JAIL TELEPHONE	33,600	33,600	33,600
DETENTION FEES-OTHER COUNTIES	385,000	410,000	410,000
DETENTION CENTER-OTHER REVENUE	0	63	0
MARRIAGE LICENSE	12,000	12,000	12,000
INSPECTION FEES	418,500	418,500	434,740
MAP SALES	18,000	18,000	18,000
SALE OF COUNTY PROPERTY	33,000	310,000	30,000
ELECTIONS	500	510	15,000
REG OF DEEDS OTHER REV	450,000	460,000	460,000
DATA PROCESSING SERVICES	48,000	52,600	53,000
RUTHERFORD CENTER REVENUES	80,638	34,092	29,860
SHERIFF DEPT RECEIPTS	167,171	184,148	139,994
EMG MANAGEMENT	26,000	26,000	26,000
EMS BILLINGS	1,113,000	1,774,040	1,674,000
ANIMAL CONTROL	37,540	43,640	35,100
STATE SHARE-SOIL & WATER	28,000	28,000	28,000
FARM CITY DONATIONS	1,500	850	0
SENIOR CENTER TITLE III	110,000	122,931	109,402
SENIOR CENTER STATE GRANT	5,000	0	0
GENERAL TRANS TITLE III	29,926	30,870	24,597
DONATIONS	0	2,000	2,000
UNITED WAY HOME DEL MEALS	30,270	30,270	30,270
SENIOR CENTER OUTREACH	1,200	1,200	1,200
MEDICARE EDUCATION GRANT	3,100	3,100	0

HOME DELIVERED MEALS	94,826	86,454	88,879
CONGREGATE MEALS	207,000	207,945	208,984

	<b>FY 2006-07</b>	<b>FY 2006-07</b>	<b>FY 2007-08</b>
	<b>AMENDED</b>	<b>ESTIMATE</b>	<b>RECOMMENDED</b>
	<b>BUDGET</b>	<b>REVENUE</b>	<b>BUDGET</b>
SEN CTR HEALTH SCREENING	11,750	11,250	7,770
VETERANS OFFICE	2,000	2,000	2,000
CRIMINAL JUSTICE PARTNERSHIP	79,156	79,156	79,156
JCPC	177,540	176,024	179,518
LIBRARY AID	185,229	187,229	151,580
INTEREST ON INVESTMENTS	675,000	975,000	975,000
911 MONITORING FEE	100,000	85,000	85,000
CABLE TV FRANCHISE FEES	21,000	40,000	40,000
RENTS OTHER	3,200	3,200	3,200
RENTS AIRPORT	7,894	7,894	7,894
RENT HOUSE AIRPORT	2,400	2,400	2,400
TRACKER LEASE	22,000	25,108	25,000
RENT MENTAL HEALTH PROPERTIES	16,800	2,400	2,400
MISC REVENUE	75,461	76,786	38,500
CAPITAL LEASES	1,236,402	1,236,402	1,947,483
TRANSFER FROM SELF INSURANCE	275,000	0	295,000
CONTRIBUTION SCHOOL CAP RES	220,500	220,500	231,525
CONTRIBUTION BUILDING RESERVE	369,343	184,895	403,801
CONTRIBUTION CONTRACTED FIRE	14,526	14,526	14,526
FUND BALANCE	2,325,652	0	1,776,819
COURT FACILITIES FUND BALANCE	51,715	69,215	0
<b>TOTAL GENERAL FUND</b>	<b>48,262,181</b>	<b>46,958,396</b>	<b>51,606,836</b>
<b>DSS FEDERAL/STATE REVENUE</b>	<b>7,899,623</b>	<b>7,336,751</b>	<b>7,935,554</b>
<b>GRAND TOTAL BOTH FUNDS</b>	<b>56,161,804</b>	<b>54,295,147</b>	<b>59,542,390</b>

## XVII. RECOMMENDED FY2007-2008 GENERAL FUND EXPENDITURES

<b>FY 2007-2008 RECOMMENDED GENERAL FUND EXPENSE BUDGET</b>					
	<b>FY 2006-2007</b>	<b>FY 2006-2007</b>			<b>ORIGINAL TO</b>
	<b>ORIGINAL</b>	<b>AMENDED</b>	<b>FY 2007-2008</b>	<b>FY 2007-2008</b>	<b>RECOMMENDED</b>
	<b>BUDGET</b>	<b>BUDGET</b>	<b>REQUEST</b>	<b>RECOMMENDED</b>	<b>NET CHANGE</b>
<b>GOVERNING BODY</b>					
SALARY/BENEFITS	174,704	175,880	187,857	180,279	
OPERATING	85,935	85,935	87,435	87,435	
CAPITAL	9,000	9,000	4,800	4,800	
TOTAL	269,639	270,815	280,092	272,514	2,875
<b>SPECIAL APPROPRIATIONS</b>					
RETIRED EMPLOYEES INSURANCE	80,546	80,546	98,000	98,000	
COMMUNITY CLINIC OF RUTHERFORD CO	5,000	5,000	7,000	5,250	
COLLINS DENTAL CENTER	20,000	20,000	0	0	
FIBER EXTENSION - PANGEA	0	48,000	0	0	
LIFESTOCK AGRICULTURE CENTER	25,000	25,000	0	0	

JCPC PSYCHOLOGICAL SVS TO COURT	6,500	6,500	8,184	8,184	
FOOTHILLS CONNECT			100,000	100,000	
COURT ORDERED PARENTING	2,400	2,400	0	0	
JCPC (ALL RECIPIENT AGENCIES)	167,868	167,868	166,823	166,823	
CRIMINAL JUSTICE PARTNERSHIP PROG	76,112	79,156	79,156	79,156	
RUTHERFORD COUNTY TRAFFIC CONTROL	6,752	6,752	17,717	7,090	
RC HISTORICAL SOCIETY	0	0	4,995	0	
UPPER BROAD RIVER WATERSHED PROTECTION	10,000	10,000	10,000	10,000	
WESTERN NC COMMUNITIES	2,500	2,500	2,500	2,500	
RUTHERFORD SEARCH & RESCUE	1,092	1,092	2,000	1,147	
FUTURE FORWARD	3,167	3,167	3,165	3,165	
IPDC DUES	11,130	11,130	11,130	11,130	
VOLUNTEER RUTHERFORD	1,000	1,000	1,000	1,000	
GENEALOGICAL SOCIETY OF OLD TRYON	0	0	10,800	0	
RUTHERFORD RESCUE OPERATIONS	38,835	38,835	41,335	40,777	
RUTHERFORD RESCUE CAPITAL	20,733	20,733	26,408	26,408	
RUTHERFORD RESCUE LEASE PURCHASE	75,000	75,000	0	0	
HNG OPERATIONS	90,977	90,977	124,800	95,526	
HNG ONE TIME CONTRIBUTION	16,000	16,000	0	0	
HNG CAPITAL	20,000	20,000	20,000	20,000	
VOLUNTEER LIFESAVING OPERATIONS	29,009	30,209	46,000	31,719	
VOLUNTEER LIFESAVING CAPITAL	24,834	23,634	33,690	24,816	
RUTHERFORD CO AIR RESCUE	5,368	5,368	8,000	5,636	
NATURAL RESOURCES INVENTORY	0	5,000	0	0	
CULTURAL RESOURCES GRANT	0	22,305	0	0	
RAILROAD DEVELOPMENT CORP	0	0	0	0	
COPS ADMINISTRATIVE FEE	5,071	5,071	2,694	2,694	
STATE GRANT BECHTLER MINT	0	20	0	0	
RURAL DEVELOPMENT	3,000	3,000	3,000	3,000	
COUNTY HISTORIAN	6,000	6,000	6,000	6,000	
INSURANCE POOL	353,285	342,518	399,447	399,447	
JCPC ADMINISTRATION	7,385	7,385	5,875	5,875	
225 ANNIVERSITY STATE GRANT	0	2,747	0	0	
GRASSROOTS ST GRANT	0	21,516	0	0	
CONE MILLS PROPERTY	47,542	47,542	0	0	
INDIRECT COSTS FROM OTHER FUNDS	-65,136	-65,136	-65,136	-65,136	
TOTAL	1,096,970	1,188,835	1,174,583	1,090,207	(6,763)
<b>COUNTY MANAGER</b>					
SALARY/BENEFITS	107,237	116,294	125,694	118,116	
OPERATING	15,386	15,386	15,986	15,986	
CAPITAL	0	0	0	0	
TOTAL	122,623	131,680	141,680	134,102	11,479
<b>HUMAN RESOURCES</b>					
SALARY/BENEFITS	99,928	99,928	107,810	100,232	
OPERATING	28,313	28,313	20,822	20,822	
CAPITAL	1,500	1,500	0	0	
TOTAL	129,741	129,741	128,632	121,054	(8,687)

<b>FINANCE</b>					
SALARY/BENEFITS	294,989	304,487	277,225	277,225	
OPERATING	81,013	81,013	84,588	84,588	
CAPITAL	0	0	0	0	
TOTAL	376,002	385,500	361,813	361,813	(14,189)
	<b>FY 2006-2007</b>	<b>FY 2006-2007</b>			<b>ORIGINAL TO</b>
	<b>ORIGINAL</b>	<b>AMENDED</b>	<b>FY 2007-2008</b>	<b>FY 2007-2008</b>	<b>RECOMMENDED</b>
	<b>BUDGET</b>	<b>BUDGET</b>	<b>REQUEST</b>	<b>RECOMMENDED</b>	<b>NET CHANGE</b>
<b>TAX SUPERVISOR</b>					
SALARY/BENEFITS	583,192	583,192	576,515	576,515	
OPERATING	124,181	124,181	126,805	126,805	
CAPITAL	23,000	23,000	0	0	
TOTAL	730,373	730,373	703,320	703,320	(27,053)
<b>TAX COLLECTOR</b>					
SALARY/BENEFITS	280,186	280,186	281,062	281,062	
OPERATING	34,060	34,060	34,635	34,635	
CAPITAL	0	0	0	0	
TOTAL	314,246	314,246	315,697	315,697	1,451
<b>LEGAL</b>	58,300	58,300	58,300	58,300	-
<b>COURT FACILITY</b>	195,965	209,645	155,315	155,315	(40,650)
<b>BOARD OF ELECTIONS</b>					
SALARY/BENEFITS	167,423	169,099	171,274	171,274	
OPERATING	65,095	65,095	81,360	81,360	
CAPITAL	320,200	320,200	0	0	
TOTAL	552,718	554,394	252,634	252,634	(300,084)
<b>REGISTER OF DEEDS</b>					
SALARY/BENEFITS	232,278	232,867	236,700	236,700	
OPERATING	56,360	56,360	54,210	54,210	
CAPITAL	0	0	0	0	
TOTAL	288,638	289,227	290,910	290,910	2,272
<b>INFORMATION TECHNOLOGY</b>					
SALARY/BENEFITS	217,606	218,782	346,523	221,303	
OPERATING	233,436	233,436	289,397	289,397	
CAPITAL	380,685	420,992	1,430,422	1,080,422	
TOTAL	831,727	873,210	2,066,342	1,591,122	759,395
<b>GARAGE</b>					
SALARY/BENEFITS	92,906	93,494	95,344	92,224	
OPERATING	12,345	12,345	9,619	9,619	
CAPITAL	70,000	70,000	0	0	
TOTAL	175,251	175,839	104,963	101,843	(73,408)
<b>MAINTENANCE ADMINISTRATION</b>					
SALARY/BENEFITS	579,732	582,083	622,935	579,370	
OPERATING	65,955	65,955	77,899	67,899	
CAPITAL	46,082	46,082	98,818	80,818	

TOTAL	691,769	694,120	799,652	728,087	36,318
<b>BUILDINGS</b>					
OPERATING	525,398	531,863	563,572	563,572	
CAPITAL	364,343	364,343	408,989	338,925	
TOTAL	889,741	896,206	972,561	902,497	12,756
	<b>FY 2006-2007</b>	<b>FY 2006-2007</b>			<b>ORIGINAL TO</b>
<b>SHERIFF</b>	<b>ORIGINAL</b>	<b>AMENDED</b>	<b>FY 2007-2008</b>	<b>FY 2007-2008</b>	<b>RECOMMENDED</b>
SALARY/BENEFITS	<b>BUDGET</b>	<b>BUDGET</b>	<b>REQUEST</b>	<b>RECOMMENDED</b>	<b>NET CHANGE</b>
OPERATING	418,448	504,371	463,664	462,664	
CAPITAL	254,000	254,000	405,379	405,379	
TOTAL	3,837,824	3,979,494	4,728,936	4,248,731	410,907
<b>DETENTION CENTER</b>					
SALARY/BENEFITS	1,496,100	1,497,444	1,657,532	1,515,358	
OPERATING	377,209	400,017	447,565	447,565	
CAPITAL	5,500	5,500	0	0	
TOTAL	1,878,809	1,902,961	2,105,097	1,962,923	84,114
<b>COMMUNICATIONS</b>					
SALARY/BENEFITS	558,744	631,622	780,301	780,301	
OPERATING	102,290	102,290	135,033	135,033	
CAPITAL	31,249	31,249	26,720	26,720	
TOTAL	692,283	765,161	942,054	942,054	249,771
	<b>FY 2006-2007</b>	<b>FY 2006-2007</b>			<b>ORIGINAL TO</b>
	<b>ORIGINAL</b>	<b>AMENDED</b>	<b>FY 2007-2008</b>	<b>FY 2007-2008</b>	<b>RECOMMENDED</b>
	<b>BUDGET</b>	<b>BUDGET</b>	<b>REQUEST</b>	<b>RECOMMENDED</b>	<b>NET CHANGE</b>
<b>BUILDING INSPECTOR</b>					
SALARY/BENEFITS	475,519	479,634	476,560	476,560	
OPERATING	54,927	54,927	59,328	59,328	
CAPITAL	41,500	41,500	19,250	19,250	
TOTAL	571,946	576,061	555,138	555,138	(16,808)
<b>MEDICAL EXAMINER/CORONER</b>	41,400	41,400	50,400	50,400	9,000
<b>EMERGENCY SERVICES</b>					
SALARY/BENEFITS	1,731,681	1,731,914	2,037,097	2,037,097	
OPERATING	254,880	254,880	300,438	300,438	
CAPITAL	299,350	299,350	317,000	317,000	
TOTAL	2,285,911	2,286,144	2,654,535	2,654,535	368,624
<b>ANIMAL CONTROL</b>					
SALARY/BENEFITS	104,985	105,231	144,380	102,755	
OPERATING	76,233	87,563	60,522	60,522	
CAPITAL	4,000	4,000	27,400	27,400	
TOTAL	185,218	196,794	232,302	190,677	5,459
<b>AIRPORT</b>					
SALARY/BENEFITS	0	0	0	0	
OPERATING	81,984	83,984	112,625	112,625	
CAPITAL	136,154	164,154	64,876	64,876	
TOTAL	218,138	248,138	177,501	177,501	(40,637)



<b>WATERSHED</b>					
OPERATING	15,550	15,550	16,550	16,550	1,000
<b>FORESTRY</b>	60,207	60,207	64,923	64,923	4,716
	<b>FY 2006-2007</b>	<b>FY 2006-2007</b>			<b>ORIGINAL TO</b>
<b>ECONOMIC DEVELOPMENT</b>	<b>ORIGINAL</b>	<b>AMENDED</b>	<b>FY 2007-2008</b>	<b>FY 2007-2008</b>	<b>RECOMMENDED</b>
SALARY/BENEFITS	<b>BUDGET</b>	<b>BUDGET</b>	<b>REQUEST</b>	<b>RECOMMENDED</b>	<b>NET CHANGE</b>
OPERATING	452,684	445,404	663,841	538,841	
CAPITAL	423,088	423,088	516,498	516,498	
TOTAL	974,123	975,299	1,315,493	1,167,472	193,349
<b>COOPERATIVE EXTENSION</b>					
SALARY/BENEFITS	171,621	172,757	178,580	178,580	
OPERATING	16,160	17,750	16,195	16,195	
CAPITAL	2,500	2,500	0	0	
TOTAL	190,281	193,007	194,775	194,775	4,494
<b>FARMERS MARKET</b>					
SALARY/BENEFITS	1,791	1,791	2,954	2,954	
OPERATING	459	459	459	459	
CAPITAL	0	0	0	0	
TOTAL	2,250	2,250	3,413	3,413	1,163
<b>SOIL &amp; WATER</b>					
SALARY/BENEFITS	86,399	86,399	95,353	95,353	
OPERATING	20,409	20,409	20,639	20,639	
CAPITAL	0	0	0	0	
TOTAL	106,808	106,808	115,992	115,992	9,184
<b>HEALTH DEPT</b>	258,730	258,730	269,079	269,079	10,349
<b>MENTAL HEALTH</b>	111,168	111,168	111,168	111,168	-
<b>SENIOR CENTER</b>					
SALARY/BENEFITS	138,779	139,368	136,814	127,652	
OPERATING	60,393	81,314	81,099	81,099	
CAPITAL	20,000	20,000	0	0	
TOTAL	219,172	240,682	217,913	208,751	(10,421)
	<b>FY 2006-2007</b>	<b>FY 2006-2007</b>			<b>ORIGINAL TO</b>
	<b>ORIGINAL</b>	<b>AMENDED</b>	<b>FY 2007-2008</b>	<b>FY 2007-2008</b>	<b>RECOMMENDED</b>
	<b>BUDGET</b>	<b>BUDGET</b>	<b>REQUEST</b>	<b>RECOMMENDED</b>	<b>NET CHANGE</b>
<b>HOME DELIVERED MEALS</b>					
SALARY/BENEFITS	46,327	53,329	56,057	50,351	
OPERATING	65,757	67,081	79,374	79,374	
CAPITAL	0	0	0	0	
TOTAL	112,084	120,410	135,431	129,725	17,641
<b>CONGREGATE MEALS</b>					
SALARY/BENEFITS	114,930	116,106	129,843	129,843	
OPERATING	109,952	109,952	129,646	129,646	
CAPITAL	0	0	0	0	

TOTAL	224,882	226,058	259,489	259,489	34,607
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	FY 2006-2007	FY 2006-2007			ORIGINAL TO
	ORIGINAL	AMENDED	FY 2007-2008	FY 2007-2008	RECOMMENDED
HEALTH SCREENING	BUDGET	BUDGET	REQUEST	RECOMMENDED	NET CHANGE
SALARY/BENEFITS	14,707	14,707	16,678	16,286	
OPERATING	6,643	6,643	6,643	6,643	
CAPITAL	0	0	0	0	
TOTAL	21,350	21,350	23,321	22,929	1,579
UNITED WAY MEALS					
SALARY/BENEFITS	3,312	3,312	4,684	4,684	
OPERATING	26,958	26,958	25,586	25,586	
CAPITAL	0	0	0	0	
TOTAL	30,270	30,270	30,270	30,270	-
VETERANS					
SALARY/BENEFITS	62,022	62,022	94,263	63,657	
OPERATING	5,270	5,270	4,920	4,920	
CAPITAL	7,618	7,618	0	0	
TOTAL	74,910	74,910	99,183	68,577	(6,333)
PUBLIC SCHOOLS	11,122,007	11,122,007	12,259,221	11,678,107	556,100
SCHOOL CAPITAL OUTLAY	220,500	220,500	231,525	231,525	11,025
ISOTHERMAL COMMUNITY COLLEGE					
CURRENT EXPENSE	1,636,461	1,636,461	1,870,370	1,806,913	170,452
UTILITY EXPENSE OVER RUN	110,000	110,000	0	0	(110,000)
CAPITAL	75,000	75,000	0	0	(75,000)
TOTAL	1,821,461	1,821,461	1,870,370	1,806,913	(14,548)
LIBRARY					
SALARY/BENEFITS	323,551	330,083	385,042	342,421	
OPERATING	75,682	106,211	89,976	89,976	
CAPITAL	91,000	91,000	98,276	98,276	
TOTAL	490,233	527,294	573,294	530,673	40,440
ARTS PARKS AND RECREATION					
SALARY/BENEFITS	44,288	44,288	50,677	50,677	
OPERATING	26,000	26,000	119,070	34,070	
CAPITAL	0	0	20,000	20,000	
TOTAL	70,288	70,288	189,747	104,747	34,459
DEBT SVS CAP LEASES	863,517	865,944	1,232,101	1,195,886	332,369
TRANS TO SCHOOL CAP RES	4,482,857	4,482,857	4,856,383	4,856,383	373,526
TRANS TO REVALUATION RES	260,000	260,000	260,000	260,000	-
TRANS TO COUNTY BLDG RES	1,117,362	1,117,362	1,249,664	1,249,664	132,302
TRANS TO REG OF DEEDS FUND	82,275	82,275	102,880	102,880	20,605
TRANS TO CLIFFSIDE SANITARY	0	10,000	0	0	-
CONTRIBUTION TO DSS	7,643,266	7,651,011	8,338,426	8,201,143	557,877
TRANS TO WATER & SEWER FUND	314,923	314,923	288,400	288,400	(26,523)
TRANS TO ICC CAP RES	0	0	124,245	124,245	124,245
HEALTH INSURANCE CONTINGENCY	0	0	136,682	136,682	136,682
CONTINGENCY EMD	100,000	27,122	0	0	(100,000)
CONTINGENCY PAY RAISE	0	0	340,797	0	-
CONTINGENCY PERFORMANCE PAY	61,900	37,154	68,160	0	(61,900)
CONTINGENCY SCHOOL BUS DRIVER	317,000	317,000	0	0	(317,000)
TOTAL GENERAL FUND	47,804,606	48,262,181	54,231,352	51,291,735	3,487,129

	FY 2006-2007	FY 2006-2007			ORIGINAL TO
	ORIGINAL	AMENDED	FY 2007-2008	FY 2007-2008	RECOMMENDED
	BUDGET	BUDGET	REQUEST	RECOMMENDED	NET CHANGE
DSS FEDERAL/STATE EXPENSE	7,653,034	7,899,623	8,083,835	7,935,554	282,520
GRAND TOTALS BOTH FUNDS	55,457,640	56,161,804	62,315,187	59,227,289	3,769,649
COMMISSIONER EXPANSION PROJECTS				315,101	
TOTAL RECOMMENDED BUDGET				59,542,390	
TOTAL SALARY/FRINGE	11,468,664	11,654,229	13,270,801	12,301,650	832,986
TOTAL OPERATING	3,575,365	3,750,975	4,279,501	4,058,501	483,136
DSS ADMINISTRATION	5,525,810	5,650,232	5,983,466	5,697,902	172,092
DSS PROGRAMS	9,770,490	9,900,402	10,438,795	10,438,795	668,305
DEBT SVS CAP LEASES	863,517	865,944	1,232,101	1,195,886	332,369
CONTINGENCY PAY RAISE	0	0	340,797	0	-
CONTINGENCY HEALTH INSURANCE	0	0	136,682	136,682	136,682
CONTINGENCY PERFORMANCE PAY	61,900	37,154	68,160	0	(61,900)
CONTINGENCY EMD	100,000	27,122	0	0	(100,000)
TOTAL COUNTY DEPARTMENTS	31,365,746	31,886,058	35,750,303	33,829,416	2,463,670
PUBLIC SCHOOLS CURRENT EXPENSE	11,122,007	11,122,007	12,259,221	11,678,107	556,100
COMMUNITY COLLEGE CURRENT EXP	1,636,461	1,636,461	1,870,370	1,806,913	170,452
TRANS TO SCHOOL CAP RES	4,482,857	4,482,857	4,856,383	4,856,383	373,526
TRANS TO COUNTY BLDG RES	1,117,362	1,117,362	1,249,664	1,249,664	132,302
TRANS TO COMMUNITY COLLEE CAP RES	0	0	124,245	124,245	124,245
TRANS TO CLIFFSIDE SANITARY		10,000			-
SPECIAL APPROPRIATIONS	1,096,970	1,188,835	1,174,583	1,090,207	(6,763)
COUNTY CAPITAL	2,530,769	2,599,076	3,438,428	3,000,364	469,595
PUBLIC SCHOOLS CAPITAL OUTLAY	220,500	220,500	231,525	231,525	11,025
CONTINGENCY BUS DRIVER PAY	317,000	317,000	0	0	(317,000)
COMMUNITY COLLEGE CAPITAL	75,000	75,000	0	0	(75,000)
COMMUNITY COLLEGE UTILITY OVER RUN	110,000	110,000	0	0	(110,000)
HEALTH DEPT	258,730	258,730	269,079	269,079	10,349
TRANS TO REVALUATION RES	260,000	260,000	260,000	260,000	-
TRANS TO WATER & SEWER FUND	314,923	314,923	288,400	288,400	(26,523)
COURT FACILITIES	195,965	209,645	155,315	155,315	(40,650)
MENTAL HEALTH	111,168	111,168	111,168	111,168	-
FORESTRY	60,207	60,207	64,923	64,923	4,716
TRANS TO REG OF DEEDS FUND	82,275	82,275	102,880	102,880	20,605
LEGAL	58,300	58,300	58,300	58,300	-
MEDICAL EXAMINER/CORONER	41,400	41,400	50,400	50,400	9,000
TOTAL OTHER APPROPRIATIONS	11,333,426	11,517,278	12,435,293	11,912,853	579,427
GRAND TOTAL	55,457,640	56,161,804	62,315,187	59,227,289	3,769,649
COMMISSIONER EXPANSION PROJECTS				315,101	
TOTAL RECOMMENDED BUDGET				59,542,390	

## **XVIII. OTHER FUNDS**

### **County Building/School Funds**

If the Board approves, the unexpended 2006-2007 balances will be rebudgeted.

### **Register of Deeds (ROD) Automation Enhancement Fund**

The ROD Enhancement Fund was established by the General Assembly to provide a dedicated revenue source for ROD hardware and software expenses. The fund is to receive 10% of the ROD revenue. For FY 2007-2008 this is estimated to be \$102,880. Estimated revenues and expenses for this fund are:

REVENUES	
Transfer from General Fund	<u>\$102,880</u>
Total	\$102,880
EXPENSES	
Professional Services Imaging	\$ 50,000
Debt Service	\$ 39,359
Automation Operations	\$ 5,500
Reserved for future projects	<u>\$ 8,021</u>
Total	\$102,880

### **E-911**

The two main revenue streams in the E911 budget are the 98 cents landline surcharge, which is determined locally, and a State established 80 cents wireless surcharge. In FY 2007-2008 we estimate that these two revenues will generate \$ 370,000 and \$170,000, respectively.

The 80 cents surcharge, which is collected by the State, was established to fund Wireless Enhanced 911 systems. Effective July 2007, fifty-five percent of the collections is designated for reimbursement of costs incurred by wireless carriers and forty-five percent is designated for Public Service Access Points (which the County is).

Revenues and Expenses for the E911 Fund are:

REVENUES	
Landline Collections	\$370,000
Private Road Signs	2,000
Wireless Collections	170,000
Proceeds from Capital Lease	66,940
Fund Balance Appropriated	<u>139,738</u>
Total Revenues	\$748,678

## EXPENSES

### Landlines

Salaries/Fringe	\$ 119,383
Private Road Signs	14,000
Telephone Expense	41,400
Software/Hardware Maintenance	70,829
Operations	19,940
Capital Outlay	100,280
Debt Service	59,116
E911 GIS Project	45,000
Transfer to Mapping Fund	<u>9,174</u>
Total Landlines	\$479,122

### Wireless

Salaries/Fringe	\$ 56,694
Telephone Expense	50,600
Software/Equipment Maintenance	14,769
Capital Outlay	32,500
Debt Service	59,993
E911 GIS Project	<u>55,000</u>
Total Wireless	<u>\$269,556</u>
Total Expense	\$748,678

Our most recent orthophotography project came to a close just a few months ago. By all measures, it was a successful venture that was partially funded (approximately \$170,000) by the state. It is now time to begin planning and budgeting for our next project. We cannot allow 15 years to elapse between ortho projects as was the case with our previous endeavor.

GIS (Geographic Information System) has evolved into a cornerstone of the tax office. They provide a variety of essential data to a myriad of institutions throughout our area. The impact this department has will only increase as we add, update and more fully utilize these tools.

The FY 2007-2008 E911 recommended budget includes \$100,000 to start laying the foundation for our next project for new orthophotography and associated services in FY 2010-2011. We will need to continue this level of funding during the next three (3) fiscal years to ensure sufficient funding for completion of the project culminating in a total project budget of \$400,000

### Grant Fund

The recommended FY 2007-2008 grant fund is comprised of the following continuing grants:

Methamphetamine/Interdiction Team Grant  
Sheriff Technology Grant  
Airport Improvements  
High School Resource Officer  
Clean Water Trust Grant  
Homeland Security Grants  
Hwy 74 Corporate Center  
CDBG Housing Rehabilitation  
Walking Trail Grant  
Urgent Repair Program Grant

Business and Technology Center  
Single Family Rehabilitation Program

REVENUES

Methamphetamine/Interdiction Team Grant	\$158,327
Rutherford County School Board	\$139,263
Airport Grants	150,000
County Airport Match	<u>16,667</u>
Total Revenues	\$ 464,257

EXPENSES

Methamphetamine/Interdiction Team Grant	\$158,327
High School Resource Officers	139,263
Airport Projects	<u>166,667</u>
Total Expenses	\$ 464,257

If the Board approves, carry over balances from 2006-2007 grants will be rebudgeted with June 30, 2007 unexpended balances.

**Reappraisal/Mapping Fund**

The FY2007-2008 Revenues and Expenses for the Reappraisal/Mapping Fund are as follows:

REVENUES:

Transfer from General Fund	\$ 260,000
Transfer from Mapping Reserve	<u>\$ 9,174</u>
Total Revenue	\$ 269,174

EXPENSES:

<u>Reappraisal</u>	
Salary/Fringe	\$189,871
Operating	24,500
Software	<u>1,000</u>
Total Reappraisal	\$215,371
<u>Mapping</u>	
Part time salaries	\$ 4,408
Professional Services	10,000
Programming Services	15,000
Operations	12,395
Capital Outlay	<u>12,000</u>
Total Mapping	<u>\$ 53,803</u>
Total Expenses	\$ 269,174

## **Transit Fund**

The Transit Advisory Board has submitted the following budget:

### REVENUES

Elderly & Handicap Funds	\$ 53,981
RGP Receipts from riders	10,000
State Grant RGP	53,819
State Administration Grant	142,962
State Grant Vehicle Purchase	136,112
Other State Grants	4,728
Sale of Property	5,000
Job Access Reverse Commute Grant	12,000
Contribution from Outside Agencies	<u>451,750</u>
Total Revenues	\$ 870,352

### EXPENSES

Salaries/Fringe	\$ 518,947
Operations (other than below)	57,175
Capital Outlay	163,688
Fuel	85,000
Insurance	37,542
General Fund Indirect Costs	<u>8,000</u>
Total Expenses	\$870,352

There are no county funds budgeted for Transit. The fund generates revenues from its users and from grants made by the state and federal governments.

## **Solid Waste**

The proposed Solid Waste budget is based on a county operated Construction and Demolition (C&D) landfill with Municipal Solid Waste (MSW) and Industrial Solid Waste being disposed of in an out of county landfill at a cost of \$30.52 per ton. It is estimated that 78,500 tons of waste will be processed during fiscal year 2007-2008 and that 61% of this waste stream will be hauled out of the county. Therefore, \$1,478,646 is budgeted for contracted waste disposal. This expense makes up 40% of the solid waste fund \$3,659,552 budget.

The revenue for the solid waste fund comes from a \$37 per ton tipping fee and a \$100 annual household user fee for those county residents who do not reside in a municipality. These fees are unchanged from fiscal year 2006-2007.

The budget contains funding to operate nine convenience centers and one manned green box site. Operating hours for the convenience centers are:

6 AM – 8 PM Monday-Friday  
8 AM – 8 PM Saturday  
1 PM – 6 PM Sunday

Operating hours for the manned green box site are: (Hollis)



8:30 AM- 6:30 PM Monday, Wednesday, Friday, and Saturday

The Golden Valley Convenience Center was opened July 2006.

A recap of Revenues and Expenses for the Solid Waste Fund are as follows:

#### REVENUES

Household User Fees	\$1,745,000
Tipping Fees	1,375,000
Recycling Revenues	80,000
Tire Disposal	104,000
White Goods	38,000
Interest Earnings	82,158
License Fees	800
Lease Purchase Proceeds	225,000
Fund Balance Appropriated	<u>9,594</u>

Total Revenues	\$3,659,552
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#### EXPENSES

<u>Collections</u>	
Salaries/Fringe	\$ 674,960
Operations	138,090
General Fund Indirect Costs	22,317
Capital Outlay	12,000
Debt Service	<u>145,732</u>
Total Collections	\$ 993,099
<u>Disposal</u>	
Salaries/Fringe	\$ 406,413
Waste Disposal Contract	1,478,646
General Fund Indirect Costs	22,318
Operations	534,076
Capital Outlay	<u>225,000</u>
Total Disposal	<u>\$2,666,453</u>
Total Expenses	\$3,659,552

#### Tourism

Based on a continued 5% occupancy tax the Tourism Development Authority Board has presented the following budget:

#### REVENUES

Occupancy Tax	\$552,400
Office Rental	4,800
Visitor Center Advertising	300
Miscellaneous Revenue	500
Interest	<u>7,500</u>
	\$565,500

#### EXPENSES

Salaries/Fringe	\$116,545
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Advertising/Marketing	128,000
Printing/Postage	50,000
Visitor Center Expense	10,000
Capital Outlay	5,000
General Fund Indirect Costs	18,500
Operations	142,455
Reserve for Future Projects	<u>95,000</u>
Total Expenses	\$565,500

### **Special Districts**

It is not possible to provide special districts' requests at this time. We have asked the special districts be completed on or before May 14, 2007. We will provide you with these requests as soon as they are available.

## **XIX. SUMMARY OF RECOMMENDED BUDGETS FOR ALL FUNDS**

General Fund	\$51,606,836
DSS Fund	16,136,697
E911 Addressing Fund	748,678
ICC Capital Reserve Fund	124,245
ROD Automation Enhancement	102,880
Grant Fund	464,257
Reappraisal/Mapping Fund	269,174
Water/Sewer Fund	2,735,238
Schools Capital Reserve Fund	5,983,656
County Building Reserve Fund	1,486,178
Debt Service Fund	7,097,339
Transit Fund	870,352
Solid Waste Fund	3,659,552
Tourism Fund	<u>565,500</u>
 GRAND TOTAL ALL FUNDS	 <b>\$91,726,337</b>

**I would like to thank the county department heads for their work on their individual budgets and the survey. Also, I would like to individually recognize Paula Roach, Julie Scherer, Judy Toney, Hazel Haynes, Debra Conner, Gail Strickland, Rick Johnson, Rhonda Owens, Brooke Watson and Marie Hogan for their many hours in preparing this report.**

**Respectfully submitted,**

John W. Condrey  
**John W. Condrey**  
**County Manager**  
**May 7, 2007**

Copies of the recommended budget will be available in the Clerk to the Board's Office and the County Library for public review. Individuals desiring a personal copy may purchase them from the county for \$40. The approved budget will be available for purchase at a cost of \$50. Please order your copies from the Finance Office and allow five working days for delivery. These documents will also be available online @ [www.rutherfordcountync.gov](http://www.rutherfordcountync.gov).